

pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the affect of amending or, modifying this Agreement or any of the Schedules hereto.

**6.14 Formation of Subsidiaries.** Borrower shall not form or acquire any Subsidiaries.

## **7. NEGATIVE COVENANTS.**

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until payment in full of the Obligations, Borrower will not do any of the following:

**7.1 Indebtedness.** Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents;

(b) Indebtedness set forth on Schedule 5.20;

(c) Permitted Purchase Money Indebtedness;

(d) refinancings, renewals, or extensions of Indebtedness permitted under clauses (b) and (c) of this Section 7.1 (and continuance or renewal of any Permitted Liens associated therewith) so long as: (i) the terms and conditions of such refinancings, renewals, or extensions do not, in Lender's judgment, materially impair the prospects of repayment of the Obligations by Borrower or materially impair Borrower's creditworthiness, (ii) such refinancings, renewals, or extensions do not result in an increase in the then extant principal amount of, or interest rate with respect to, the Indebtedness so refinanced, renewed, or extended, (iii) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions, that, taken as a whole, are materially more burdensome or restrictive to the Borrower, (iv) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must be include subordination terms and conditions that are at least as favorable to Lender as those that were applicable to the refinanced, renewed, or extended Indebtedness, and (v) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended;

(e) endorsement of instruments or other payment items for deposit; and

(f) Indebtedness composing Permitted Investments.

**7.2 Liens.** Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any

income or profits therefrom, except for Permitted Liens (including Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is refinanced, renewed, or extended under Section 7.1(d) and so long as the replacement Liens only encumber those assets that secured the refinanced, renewed, or extended Indebtedness).

### **7.3 Restrictions on Fundamental Changes**

(a) Enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its Stock.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution).

(c) Convey, sell, lease, license, assign, transfer, or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its assets.

**7.4 Disposal of Assets.** Other than Permitted Dispositions, convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its assets.

**7.5 Change Name.** Change Borrower's name, FEIN, organizational identification number, state of organization, or organizational identity; provided, however, that Borrower may change its name upon at least 30 days prior written notice by Borrower to Lender of such change and so long as, at the time of such written notification, Borrower provides any financing statements necessary to perfect and continue perfected Lender's Liens.

**7.6 Nature of Business.** Make any change in the principal nature of its business.

**7.7 Prepayments and Amendments.** Except in connection with a refinancing permitted by Section 7.1(d),

(a) prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Borrower, other than the Obligations in accordance with this Agreement, or

(b) directly or indirectly, amend, modify, alter, increase, or change any of the terms or conditions of any agreement, instrument, document, indenture, or other writing evidencing or concerning Indebtedness permitted under Section 7.1(b) or (c).

**7.8 Change of Control.** Cause, permit, or suffer, directly or indirectly, any Change of Control.

**7.9 Consignments.** Consign any of their Inventory or sell any of their Inventory on bill and hold, sale or return, sale on approval, or other conditional terms of sale.

**7.10** [Intentionally Omitted]

**7.11 Accounting Methods.** Modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP) or enter into, modify, or terminate any agreement currently existing, or at any time hereafter entered into with any third party accounting firm or service bureau for the preparation or storage of Borrower's accounting records without said accounting firm or service bureau agreeing to provide Lender information regarding Borrower's financial condition.

**7.12 Investments.** Except for Permitted Investments, directly or indirectly, make or acquire any Investment, or incur any liabilities (including contingent obligations) for or in connection with any Investment; provided, however, that Borrower shall not have Permitted Investments (other than in the Cash Management Accounts) in Deposit Accounts or Securities Accounts outstanding at any time unless Borrower, and the applicable securities intermediary or bank have entered into Control Agreements or similar arrangements governing such Permitted Investments in order to perfect (and further establish) the Lender's Liens in such Permitted Investments. Subject to the foregoing proviso, Borrower shall not establish or maintain any Deposit Account or Securities Account unless Lender shall have received a Control Agreement in respect of such Deposit Account or Securities Account.

**7.13 Transactions with Affiliates.** Directly or indirectly enter into or permit to exist any transaction with any Affiliate of any Borrower except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms, that are fully disclosed to Lender, and that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-Affiliate.

**7.14 Suspension.** Suspend or go out of a substantial portion of their business.

**7.15 Use of Proceeds.** Use the proceeds of the Advances for any purpose other than to make expenditures in accordance with the Approved Budget.

**7.16 Inventory and Equipment with Bailees.** Store the Inventory or Equipment of Borrower at any time now or hereafter with a bailee, warehouseman, or similar party without Lender's prior written consent.

**7.17** [Intentionally Omitted]

**7.18 Professional Fees Exception.** Except as otherwise set forth in this Section 7.18 (the "Professional Fees Exception") and the Post-Default Carve-Out, and subject in each case to the limitations set forth at Section 7.19 below, the Borrower shall not pay any fees or expenses of Professionals (as defined below). Subject to the limitations set forth in Section 7.19 below, prior to the occurrence of an Event of Default, the fees and expenses (the "Authorized Fees") of the Bankruptcy Court retained professionals in the Chapter 11 Case, including the fees and expenses of any creditors' committee counsel, and the creditors' committee itself (collectively, the "Professionals") are permitted to be paid, in each case to the extent that they satisfy the following conditions:

(a) payment of such fees and expenses is authorized by Bankruptcy Court order;

(b) the Authorized Fees are consistent with the Approved Budget;

(c) the Professionals have first drawn down and have exhausted to the extent applicable) their respective retainers;

(d) the Authorized Fees were incurred prior to an Event of Default (whether or not yet billed or allowed) under the Loan Documents or Financing Orders, and

(e) the Authorized Fees are not subject to the further limitations set forth in the Financing Orders, if any.

**7.19 Use of Professional Fees, Costs and Expenses.** Fees, costs and expenses otherwise permitted to be paid pursuant to the Professional Fees Exception set forth at Section 7.18 preceding and the Post-Default Carve-Out shall exclude, and no portion of such fees, costs and expenses (whether the proposed source of funds shall be cash collateral or advances under this Agreement) shall be used to fund, any fees, costs or expenses.

(a) incurred in connection with the assertion or joinder in any claim, counterclaim, action, proceeding application, motion, objection, defenses or other contested matter, the purpose of which is to seek any order, judgment, determination or similar relief (i) invalidating, setting aside, avoiding, subordinating, in whole or in part, (x) any Obligations purportedly owed to Lender (y) any of Lender's Liens in the assets of the Loan Parties, or (ii) preventing, hindering or delaying whether directly or indirectly, the Lender's assertions or enforcement of its Liens, security interest or realization upon any Collateral except the Committee's investigation, including discovery under Rule 2004 of the Bankruptcy Rules; provided, that Borrower shall not be prevented from contesting an Event of Default or fighting any motion by Lender to lift stay,

(b) in using cash collateral of Lender, selling or otherwise disposing of any other Collateral, or incurring any indebtedness not permitted under this Agreement, without Lender's written consent,

(c) arising after the conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code or after appointment of a trustee or a receiver, or

(d) associated with any litigation against Mestek, Inc., except for the Committee's investigation of Mestek, part of which may be conducted under Rule 2004.

**8. EVENTS OF DEFAULT.** Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

**8.1** If Borrower fails to pay when due and payable or when declared due and payable, all or any portion of the Obligations (whether of principal, interest (including any interest which, but for the provisions of the Bankruptcy Code, would have accrued on such amounts), fees and charges due Lender, reimbursement of Lender Expenses, or other amounts constituting Obligations);

**8.2** If Borrower fails to perform, keep, or observe any term, provision, condition, covenant, or agreement contained in this Agreement or in any of the other Loan Documents;

**8.3** If any material portion of Borrower's assets is attached, seized, subjected to a writ or distress warrant, levied upon, or comes into the possession of any third Person;

**8.4** If (a) a Plan of Reorganization is not filed, in form and substance satisfactory to the Lender, by December 29, 2003 (the "Plan") or (b) the Plan has been withdrawn or modified in any respect without consent of the Lender;

**8.5** If the Borrower the Committee institutes litigation against Mestek based on an "alter ego" or veil piercing theory;

**8.6** If Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;

**8.7** If a notice of Lien, levy, or assessment is filed of record with respect to any Borrower's assets by the United States, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities becomes a Lien, whether choate or otherwise, upon Borrower's assets and the same is not paid before such payment is delinquent;

**8.8** If a judgment or other claim becomes a Lien or encumbrance (other than Permitted Liens) upon any material portion of Borrower's assets;

**8.9** If there is a default in any material agreement to which Borrower is a party and such default (a) occurs at the final maturity of the obligations thereunder, or (b) results in a right by the other party thereto, irrespective of whether exercised, to accelerate the maturity of the Borrower's obligations thereunder, or to terminate such agreement;

**8.10** If Borrower makes any payment on account of Indebtedness that has been contractually subordinated in right of payment to the payment of the Obligations, except to the extent such payment is permitted by the terms of the subordination provisions to such Indebtedness;

**8.11** If any misstatement or misrepresentation exists now or hereafter in any warranty, representation, statement, or Record made to Lender by Borrower, or any officer, employee, agent, or director of Borrower;

**8.12** If this Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien on or security interest in the Collateral covered hereby or thereby;

**8.13** Any provision of any Loan Document shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by Borrower, or a proceeding shall be commenced by Borrower, or by any Governmental Authority having jurisdiction over any Borrower, seeking to establish the invalidity or unenforceability thereof, or any Borrower shall deny that it has any liability or obligation purported to be created under any Loan Document.

**8.14** If any Borrower violates or breaches any of the terms of the Financing Orders;

**8.15** If the Chapter 11 Case is converted to a case under Chapter 7 of the Bankruptcy Code or any trustee or receiver is appointed in a Chapter 11 Case;

**8.16** If the Bankruptcy Court appoints a Chapter 11 Trustee or examiner with expanded powers beyond an investigative role in the Chapter 11 Case;

**8.17** If there shall occur the reversal, vacation, stay, amendment, supplementation, or other modification of either of the Financing Orders in a manner that would, in the sole opinion of Lender, materially and adversely affect the rights of Lender under either of the Financing Orders or materially and adversely affect the priority of any or all of Lender's security interests, liens, or claims, or other protections granted to Lender under either of the Financing Orders;

**8.18** If there shall be the entry of any order which provides relief from the automatic stay otherwise imposed pursuant to Section 362 of the Bankruptcy Code, which order permits any creditor, other than Lender, to realize upon, or to exercise any right or remedy with respect to, any asset of Borrower or to terminate any agreement, where such termination could result in a Material Adverse Change with respect to any Borrower;

**8.19** If any superpriority administrative expense claim which is senior to or pari passu with the Lender's claims shall be granted;

**8.20** If a plan of reorganization shall be confirmed in any of the Chapter 11 Case, which does not provide for termination of this Agreement and indefeasible payment in full in of Borrower's obligations hereunder on the effective date of such plan of reorganization;

**8.21** If an order shall be entered which dismisses the Borrower's Chapter 11 Case and which order does not provide for termination of this Agreement and indefeasible payment in full in cash of Borrower's obligations hereunder on the effective date of such dismissal;

**8.22** If any of the Borrower shall take any action, including the filing of an application, in support of any of the events or circumstances described in Sections 8.21 and 8.22 or any

person other than the Borrower shall do so, and such application is not contested in good faith by the Borrower, and the relief requested is granted in an order that is not stayed pending appeal;

**8.23** If the Bankruptcy Court shall enter an order granting relief from the automatic stay to the holder of any security interest in any asset of the Loan Parties having a book value in an amount equal to or exceeding \$100,000;

**8.24** If the Plan has not been confirmed by January 26, 2004 or has not gone effective by February 5, 2004; or

**8.25** (a) The Lender's existing loan facilities are in default or the lender thereunder has restricted, withdrawn or reduced the Lender's credit capacity thereunder or restricted the use of funds thereunder or (b) the Lender's existing lenders have not consented to the making of the Loans hereunder.

## **9. THE LENDER'S RIGHTS AND REMEDIES.**

**9.1 Rights and Remedies.** Upon the occurrence, and during the continuation, of an Event of Default, Lender (at its election but without notice of its election and without demand) may do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable by providing written notice to Borrower and the Committee;

(b) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement, under any of the Loan Documents, or under any other agreement between Borrower and Lender;

(c) Terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of Lender, but without affecting any of the Lender's Liens in the Collateral and without affecting the Obligations by providing written notice to Borrower and the Committee;

(d) With prompt notice to Borrower and the Committee, settle or adjust disputes and claims directly with Borrower's Account Debtors for amounts and upon terms which Lender considers advisable, and in such cases, Lender will credit the Loan Account with only the net amounts received by Lender in payment of such disputed Accounts after deducting all Lender Expenses incurred or expended in connection therewith;

(e) Cause Borrower to hold all of their returned Inventory in trust for Lender, segregate all such Inventory from all other assets of Borrower or in Borrower's possession;

(f) Without notice to or demand upon any Borrower, make such payments and do such acts as Lender considers necessary or reasonable to protect its security interests in the Collateral. Borrower agrees to assemble the Collateral if Lender so requires, and to make the Collateral available to Lender at a place that Lender may designate which is reasonably convenient to both parties, provided that written notice also be provided to the Committee. Each Borrower authorizes Lender to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any Lien that in Lender's determination appears to conflict with the Lender's Liens in and to the Collateral and to pay all expenses incurred in connection therewith and to charge Borrower's Loan Account therefor. With respect to any of Borrower's owned or leased premises, each Borrower hereby grants Lender a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Lender's rights or remedies provided herein, at law, in equity, or otherwise;

(g) Without notice to any Borrower (such notice being expressly waived), and without constituting an acceptance of any Collateral in full or partial satisfaction of an obligation (within the meaning of the Code), set off and apply to the Obligations any and all (i) balances and deposits of any Borrower held by Lender (including any amounts received in the Cash Management Accounts), or (ii) Indebtedness at any time owing to or for the credit or the account of any Borrower held by Lender;

(h) Hold, as cash collateral, or apply any and all balances and deposits of any Borrower held by Lender, and any amounts received in the Cash Management Accounts, to secure the full and final repayment or to pay all of the Obligations;

(i) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Borrower hereby grants to Lender a license or other right to use, without charge, Borrower's labels, patents, copyrights, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and Borrower's rights under all licenses and all franchise agreements shall inure to Lender's benefit;

(j) Sell the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrower's premises) as Lender determines is commercially reasonable. It is not necessary that the Collateral be present at any such sale;

(k) Lender shall give notice of the disposition of the Collateral as follows:

(i) Lender shall give Borrower and the Committee a notice in writing of the time and place of public sale, or, if the sale is a private sale or some other disposition other than a public sale is to be made of the Collateral, the time on or after which the private sale or other disposition is to be made; and



(ii) The notice shall be personally delivered or mailed, postage prepaid, to Borrower and the Committee as provided in Section 12, at least 10 days before the earliest time of disposition set forth in the notice; no notice needs to be given prior to the disposition of any portion of the Collateral that is perishable or threatens to decline speedily in value or that is of a type customarily sold on a recognized market;

(l) Lender may credit bid and purchase at any public sale;

(m) Lender may seek the appointment of a receiver or keeper to take possession of all or any portion of the Collateral or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a receiver without the requirement of prior notice or a hearing; and

(n) Lender shall have all other rights and remedies available to it at law or in equity or pursuant to any other Loan Documents.

**9.2 Remedies Cumulative.** The rights and remedies of Lender under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. Lender shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Lender of one right or remedy shall be deemed an election, and no waiver by Lender of any Event of Default shall be deemed a continuing waiver. No delay by Lender shall constitute a waiver, election, or acquiescence by it.

## **10. TAXES AND EXPENSES.**

If Borrower fails to pay any monies (whether taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Lender, in its sole discretion and without prior notice to Borrower, may do any or all of the following: (a) make payment of the same or any part thereof, (b) set up such reserves in Borrower's Loan Account as Lender deems necessary to protect Lender from the exposure created by such failure, or (c) in the case of the failure to comply with Section 6.7 hereof, obtain and maintain insurance policies of the type described in Section 6.7 and take any action with respect to such policies as Lender deems prudent. Any such amounts paid by Lender shall constitute Lender Expenses and any such payments shall not constitute an agreement by Lender to make similar payments in the future or a waiver by Lender of any Event of Default under this Agreement. Lender need not inquire as to, or contest the validity of, any such expense, tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

## **11. WAIVERS; INDEMNIFICATION.**

**11.1 Demand; Protest.** Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by Lender on which Borrower may in any way be liable.

**11.2 Lender's Liability for Collateral.** Borrower hereby agrees that: (a) so long as Lender complies with its obligations, if any, under the Code, Lender shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrower.

**11.3 Indemnification.** Borrower shall pay, indemnify, defend, and hold the Lender-Related Persons and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, and damages, and all reasonable attorneys fees and disbursements and other costs and expenses actually incurred in connection therewith (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution, delivery, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Borrower's compliance with the terms of the Loan Documents, and (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto (all the foregoing, collectively, the "Indemnified Liabilities"). Notwithstanding anything to the contrary stated herein, the indemnification provided for herein shall not extend to any claim, demand, suit, proceeding, loss, damage, cost or expense relating to any claim asserted by the Committee against Lender or to any matter that is not specifically related to the financing transactions contemplated in the Loan Documents. The foregoing to the contrary notwithstanding, Borrower shall have no obligation to any Indemnified Person under this Section 11.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrower with respect thereto. **WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.**



Wilmington, DE 19801  
Attn: Richard M. Beck  
Telephone: (302) 426-1189  
Facsimile: (302) 456-8435

Lender and Borrower may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 12, other than notices by Lender in connection with enforcement rights against the Collateral under the provisions of the Code, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail. Borrower acknowledges and agrees that notices sent by Lender in connection with the exercise of enforcement rights against Collateral under the provisions of the Code shall be deemed sent when deposited in the mail or personally delivered, or, where permitted by law, transmitted by telefacsimile or any other method set forth above. Notwithstanding anything to the contrary in this Agreement, any notice to Met-Coil shall not be invalidated or be ineffective due to failure to provide notice to the Committee.

### **13. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

**(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE.**

**(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE PROVIDED, HOWEVER, THAT ANY SUIT AGAINST ANY PARTY OTHER THAN BORROWER SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE LENDER ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. BORROWER AND LENDER WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 13(b).**

**(c) BORROWER AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION**

**BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND LENDER REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

#### **14. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.**

##### **14.1 Assignments and Participations**

(a) Lender may assign and delegate to one or more assignees (each an “Assignee”) all, or any ratable part of all, of the Obligations and the other rights and obligations of Lender hereunder and under the other Loan Documents; provided, however, that Borrower may continue to deal solely and directly with Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrower by Lender and the Assignee and (ii) Lender and its Assignee have delivered to Borrower an appropriate assignment and acceptance agreement.

(b) From and after the date that Lender provides Borrower with such written notice and executed assignment and acceptance agreement, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such assignment and acceptance agreement, shall have the rights and obligations of Lender under the Loan Documents, and (ii) Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such assignment and acceptance agreement, relinquish its rights (except with respect to Section 11.3 hereof) and be released from any future obligations under this Agreement (and in the case of an assignment and acceptance covering all or the remaining portion of Lender’s rights and obligations under this Agreement and the other Loan Documents, Lender shall cease to be a party hereto and thereto), and such assignment shall effect a novation between Borrower and the Assignee; provided, however, that nothing contained herein shall release Lender or Borrower from obligations that survive the termination of this Agreement.

(c) Immediately upon Borrower’s receipt of such fully executed assignment and acceptance agreement, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the rights and duties of Lender arising therefrom.

(d) Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons not Affiliates of Lender (a “Participant”) participating interests in Obligations and the other rights and interests of Lender hereunder and under the other

Loan Documents; provided, however, that (i) Lender shall remain the “Lender” for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations and the other rights and interests of Lender hereunder shall not constitute a “Lender” hereunder or under the other Loan Documents and Lender’s obligations under this Agreement shall remain unchanged, (ii) Lender shall remain solely responsible for the performance of such obligations, (iii) Borrower and Lender shall continue to deal solely and directly with each other in connection with Lender’s rights and obligations under this Agreement and the other Loan Documents, (iv) Lender shall not transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through Lender, or (E) change the amount or due dates of scheduled principal repayments or prepayments or premiums, and (v) all amounts payable by Borrower hereunder shall be determined as if Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through Lender and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to Borrower, the Collections of Borrower or their Subsidiaries, the Collateral, or otherwise in respect of the Obligations. No Participant shall have the right to participate directly in the making of decisions by Lender.

(e) In connection with any such assignment or participation or proposed assignment or participation, Lender may, subject to the provisions of Section 16.9, disclose all documents and information which it now or hereafter may have relating to Borrower and its businesses.

**14.2 Successors.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Borrower may not assign this Agreement or any rights or duties hereunder without Lender’s prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by Lender shall release Borrower from its Obligations. Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 14.1 hereof and no consent or approval by any Borrower is required in connection with any such assignment.

## **15. AMENDMENTS; WAIVERS.**

**15.1 Amendments and Waivers.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by Lender and Borrower and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which was given.

**15.2 No Waivers; Cumulative Remedies.** No failure by Lender to exercise any right, remedy, or option under this Agreement or, any other Loan Document, or delay by Lender in exercising the same, will operate as a waiver thereof. No waiver by Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Lender on any occasion shall affect or diminish Lender's rights thereafter to require strict performance by Borrower of any provision of this Agreement. Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Lender may have.

## **16. GENERAL PROVISIONS.**

**16.1 Effectiveness.** This Agreement shall be binding and deemed effective when executed by Borrower and Lender.

**16.2 Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

**16.3 Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against Lender or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

**16.4 Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

**16.5 Withholding Taxes.** All payments made by Borrower hereunder or under any note will be made without setoff, counterclaim, or other defense, except as required by applicable law other than for Taxes (as defined below). All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction (other than the United States) or by any political subdivision or taxing authority thereof or therein (other than of the United States) with respect to such payments (but excluding, any tax imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (i) measured by or based on the net income or net profits of Lender, or (ii) to the extent

that such tax results from a change in the circumstances of Lender, including a change in the residence, place of organization, or principal place of business of Lender, or a change in the branch or lending office of Lender participating in the transactions set forth herein) and all interest, penalties or similar liabilities with respect thereto (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as “Taxes”). If any Taxes are so levied or imposed, Borrower agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement or under any note, including any amount paid pursuant to this Section 16.5 after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein; provided, however, that Borrower shall not be required to increase any such amounts payable to Lender if the increase in such amount payable results from Lender’s own willful misconduct or gross negligence. Borrower will furnish to Lender as promptly as possible after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by Borrower.

**16.6 Amendments in Writing.** This Agreement only can be amended by a writing signed by Lender and Borrower.

**16.7 Counterparts; Telefacsimile Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

**16.8 Revival and Reinstatement of Obligations.** If the incurrence or payment of the Obligations by Borrower or the transfer to Lender of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors’ rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a “Voidable Transfer”), and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that Lender is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of Lender related thereto, the liability of Borrower automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

**16.9 Confidentiality.** Lender agrees that material, non-public information regarding Borrower, its operations, assets, and existing and contemplated business plans shall be treated by Lender in a confidential manner, and shall not be disclosed by Lender to Persons who are not parties to this Agreement, except: (a) to attorneys for and other advisors, accountants, auditors,



and consultants to Lender, (b) to Subsidiaries and Affiliates of Lender, provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 16.9, (c) as may be required by statute, decision, or judicial or administrative order, rule, or regulation, (d) as may be agreed to in advance by Borrower or as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (e) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Lender), (f) in connection with any assignment, prospective assignment, sale, prospective sale, participation or prospective participations, or pledge or prospective pledge of Lender's interest under this Agreement, provided that any such assignee, prospective assignee, purchaser, prospective purchaser, participant, prospective participant, pledgee, or prospective pledgee shall have agreed in writing to receive such information hereunder subject to the terms of this Section, and (g) in connection with any litigation or other adversary proceeding involving parties hereto. The provisions of this Section 16.9 shall survive for 2 years after the payment in full of the Obligations. Anything contained herein or in any other Loan Document to the contrary notwithstanding, the obligations of confidentiality contained herein and therein, as they relate to the transactions contemplated hereby, shall not apply to the federal tax structure or federal tax treatment of such transactions, and each party hereto (and any employee, representative, or agent of any party hereto) may disclose to any and all Persons, without limitation of any kind, the federal tax structure and federal tax treatment of such transactions (including all written materials related to such tax structure and tax treatment). The preceding sentence is intended to cause the transactions contemplated hereby to not be treated as having been offered under conditions of confidentiality for purposes of Section 1.6011-4(b)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the IRC, and shall be construed in a manner consistent with such purpose. In addition, each party hereto acknowledges that it has no proprietary or exclusive rights to the tax structure of the transactions contemplated hereby or any tax matter or tax idea related thereto.

**16.10 Integration.** This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

**MET-COIL SYSTEMS CORPORATION**,  
a Delaware corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

**MESTEK, INC.** a Pennsylvania corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

## TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION.....	1
1.1	Definitions .....	1
1.2	Accounting Terms .....	15
1.3	Code.....	15
1.4	Construction.....	15
1.5	Schedules and Exhibits.....	16
2.	LOAN AND TERMS OF PAYMENT.....	16
2.1	Revolver Advances.....	16
2.2	[Intentionally Omitted].....	16
2.3	Borrowing Procedures and Settlements.....	16
2.4	Payments.....	17
2.5	Interest Rates, Payments, and Calculations.....	18
2.6	Cash Management.....	19
2.7	Designated Account.....	20
2.8	Maintenance of Loan Account; Statements of Obligations.....	20
2.9	Fees.....	21
2.10	[Intentionally Omitted].....	21
3.	CONDITIONS; TERM OF AGREEMENT.....	21
3.1	Conditions Precedent to the Initial Extension of Credit.....	21
3.2	Conditions Subsequent to the Initial Extension of Credit.....	23
3.3	[Intentionally Omitted].....	23
3.4	Conditions Precedent to all Extensions of Credit.....	23
3.5	Term.....	24
3.6	Effect of Termination .....	25
3.7	Early Termination by Borrower .....	25
4.	CREATION OF SECURITY INTEREST.....	25
4.1	Grant of Security Interest .....	25
4.2	Negotiable Collateral.....	25
4.3	Collection of Accounts, General Intangibles, and Negotiable Collateral .....	25
4.4	Filing of Financing Statements; Commercial Tort Claims; Delivery of Additional Documentation Required.....	26
4.5	Power of Attorney .....	27
4.6	Right to Inspect.....	27
4.7	Control Agreements.....	27
4.8	Post-Default Carve-out.....	28
5.	REPRESENTATIONS AND WARRANTIES.....	28
5.1	No Encumbrances.....	28

5.2	[Intentionally Omitted]	28
5.3	[Intentionally Omitted]	28
5.4	Equipment	28
5.5	Location of Inventory and Equipment	28
5.6	Inventory Records	29
5.7	State of Incorporation; Location of Chief Executive Office; FEIN; Organizational ID Number; Commercial Tort Claims	29
5.8	Due Organization and Qualification; Subsidiaries	29
5.9	Due Authorization; No Conflict	29
5.10	Litigation	30
5.11	No Material Adverse Change	30
5.12	Fraudulent Transfer	30
5.13	Employee Benefits	31
5.14	Environmental Condition	31
5.15	Brokerage Fees	31
5.16	Intellectual Property	31
5.17	Leases	31
5.18	DDAs	31
5.19	Complete Disclosure	31
5.20	Indebtedness	32
5.21	Interim Financing Order	32
5.22	Final Financing Order	32
5.23	Approved Budget	32
6.	AFFIRMATIVE COVENANTS	32
6.1	Accounting System	32
6.2	Collateral Reporting	32
6.3	Financial Statements, Reports, Certificates	33
6.4	[Intentionally Omitted]	35
6.5	Maintenance of Properties	35
6.6	Taxes	35
6.7	Insurance	35
6.8	Location of Inventory and Equipment	36
6.9	Compliance with Laws	36
6.10	Leases	36
6.11	Existence	36
6.12	[Intentionally Omitted]	36
6.13	Disclosure Updates	36
6.14	Formation of Subsidiaries	37
7.	NEGATIVE COVENANTS	37
7.1	Indebtedness	37
7.2	Liens	37

7.3	Restrictions on Fundamental Changes .....	38
7.4	Disposal of Assets .....	38
7.5	Change Name .....	38
7.6	Nature of Business.....	38
7.7	Prepayments and Amendments .....	38
7.8	Change of Control .....	38
7.9	Consignments .....	38
7.10	[Intentionally Omitted].....	38
7.11	Accounting Methods .....	39
7.12	Investments.....	39
7.13	Transactions with Affiliates .....	39
7.14	Suspension.....	39
7.15	Use of Proceeds .....	39
7.16	Inventory and Equipment with Bailees .....	39
7.17	[Intentionally Omitted].....	39
7.18	Professional Fees Exception.....	39
7.19	Use of Professional Fees, Costs and Expenses.....	40
8.	EVENTS OF DEFAULT .....	40
9.	THE LENDER’S RIGHTS AND REMEDIES. ....	43
9.1	Rights and Remedies .....	43
9.2	Remedies Cumulative.....	45
10.	TAXES AND EXPENSES. ....	45
11.	WAIVERS; INDEMNIFICATION. ....	45
11.1	Demand; Protest .....	46
11.2	Lender’s Liability for Collateral.....	46
11.3	Indemnification.....	46
12.	NOTICES.....	47
13.	CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER. ....	48
14.	ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS. ....	49
14.1	Assignments and Participations.....	49
14.2	Successors.....	50
15.	AMENDMENTS; WAIVERS. ....	51
15.1	Amendments and Waivers.....	51
15.2	No Waivers; Cumulative Remedies .....	51
16.	GENERAL PROVISIONS. ....	51
16.1	Effectiveness.....	51

<b>16.2</b>	Section Headings .....	51
<b>16.3</b>	Interpretation .....	51
<b>16.4</b>	Severability of Provisions.....	51
<b>16.5</b>	Withholding Taxes .....	51
<b>16.6</b>	Amendments in Writing .....	52
<b>16.7</b>	Counterparts; Telefacsimile Execution .....	52
<b>16.8</b>	Revival and Reinstatement of Obligations .....	52
<b>16.9</b>	Confidentiality .....	52
<b>16.10</b>	Integration.....	53

## EXHIBITS AND SCHEDULES

Exhibit A	Approved Budget
Exhibit C-1	Form of Compliance Certificate
Schedule D-1	Designated Account
Schedule L-1	Lender's Account
Schedule P-1	Permitted Liens
Schedule 2.7(a)	Cash Management Banks
Schedule 5.5	Locations of Inventory and Equipment
Schedule 5.7(a)	States of Organization
Schedule 5.7(b)	Chief Executive Offices
Schedule 5.7(c)	FEINS
Schedule 5.7(d)	Commercial Tort Claims
Schedule 5.8(b)	Capitalization of Borrowers
Schedule 5.10	Litigation
Schedule 5.14	Environmental Matters
Schedule 5.16	Intellectual Property
Schedule 5.18	Deposit Accounts and Securities Accounts
Schedule 5.20	Permitted Indebtedness





Exhibit B-1  
Form of Compliance Certificate

Schedule D-1  
Designated Account

Fleet Bank Account Number: 9429345782

Schedule L-1  
Lender's Account

Debtor has requested Compliance Certificate, and is waiting for reply.

Schedule P-1  
Permitted Liens

Not Applicable

Schedule 2.7(a)  
Cash Management Banks

BANK NAME AND LOCATION	ACCOUNT NUMBER	TYPE/PURPOSE	BANK BALANCE
LaSalle Bank Lisle, Illinois	52009875590	Petty Cash-Checking Account	\$ 30,002.03 **
Firststar Bank/US Bank Cedar Rapids, Iowa	12337802 0-001-2337-8002	Petty Cash-Checking Account	18,788.18 *
LaSalle Bank Lisle, Illinois	5201172532	Escrow/Commercial Services Account	148.15 *
LaSalle Bank Lisle, Illinois	8602447404	Money Market Account	1,555.00 *
LaSalle Bank Lisle, Illinois	8602447479	Money Market Account	1,234.73 *
MB Financial Bank, N.A. Chicago, Illinois	1560000317	Checking Account	0 *
TOTAL BANK ACCOUNTS			\$ 51,728.09

\* Balance per bank statement dated 8/29/03

\*\* Balance per bank statement dated 9/3/03.

Schedule 5.5  
Locations of Inventory and Equipment

The Lochfarmer  
711 Ogden Avenue  
Lisle, Illinois 60515

Iowa Precision Industries, Inc.  
5480-5486 Sixth Street S.W.  
Cedar Rapids, Iowa 52404

Schedule 5.7(a)  
States of Organization

Met-Coil Systems Corporation – A Delaware Corporation

Schedule 5.7(b)  
Chief Executive Offices

The Lochfarmer  
711 Ogden Avenue  
Lisle, Illinois 60515

Iowa Precision Industries, Inc.  
5480-5486 Sixth Street S.W.  
Cedar Rapids, Iowa 52404



Schedule 5.7(c)  
FIENS

Tax I.D. No. 04-3511255

Schedule 5.7(d)  
Commercial Tort Claims

See Schedule 5.10. In addition, the Debtor has a potential claim against a contractor that cut a power line across the street from the Lockformer facility, causing a temporary shutdown of such facility.

Schedule 5.8(b)  
Capitalization of Borrowers

Formtek, Inc.  
One Pierce Place  
Suite 400E  
Itasca, IL 60143

Schedule 5.10  
Litigation

Caption of Suit	Case Number	Nature of Proceeding	Court and Location	Status or Disposition
Andrews Termination/Iowa Precision Industries	030619-09471-8	Employment Claim	Federal Mediation and Conciliation Service, Iowa	Pending
Beck, et al. v. Roper Whitney, Inc.	99 CV 0598	Product Liability	State of New York Supreme Court: County of Erie	Pending
Carmona V. Lockformer Company	01-CIV-1519	Product Liability	US District Court, Eastern District of New York	Settled
Clayton & Lambert v. Connor Mfg. v. Lockformer	01-C1-00185	Breach of Contract	Oldham Circuit Court Division One (1)	Pending
Devane, et al. v. The Lockformer Company, et al.	01 L 377	Environmental Litigation	Circuit Court for the 18th Judicial District, DuPage County, Illinois	Judgment Entered Against Defendants, Post-Trial Motions Pending
Ehrhart v. Lockformer Co., et al.	02-CV-7068	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Hallmer v. Lockformer Co., et al.	02-CV-7066	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Hendley v. Red River Machinery, Inc. (Iowa Precision Industries, Inc. is a 3 <sup>rd</sup> party defendant; 4 <sup>th</sup> party plaintiff for indemnification)	GNO-00205	Product Liability	District Court of Travis County, Texas (53 <sup>rd</sup> Judicial District)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	00-CV-7164	Environmental Litigation (Cross-Claim)	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	01-CV-6107	Environmental Litigation (Cross-Claim)	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	01-CV-6485	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	02-CV-2672	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending

Caption of Suit	Case Number	Nature of Proceeding	Court and Location	Status or Disposition
Honeywell International, Inc. v. The Lockformer Co. et al.	02-CV-4992	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	02-CV-6097	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Settled Pending Plan of Reorganization
Honeywell International, Inc. v. The Lockformer Co. et al.	02-CV-7066	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Honeywell International, Inc. v. The Lockformer Co. et al.	02-CV-7068	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Huebner v. H.J. Ruesch Machine Company	CP No. 01-024245	Employment Claim	New Jersey Department of Labor & Industry	Pending
Illinois Emasco, et al. v. Lindy Manufacturing Co., et al.	03 MR 00093	Insurance Litigation (named as necessary party)	Circuit Court of DuPage County, Illinois	Pending
Irineo v. Iowa Precision Industries		Product Liability Insurance		Settled 2002
Ivanov et al. v. Met-Coil Systems Corporation, et al.	27621/01	Product Liability	Supreme Court of the State of New York, County of Kings	Pending
Johnson, W. v. Met-Coil Systems Corporation, et al.	03 CVS 9211	Employment Claim	General Court of Justice Superior Court Division	Pending
LeClerq, et al. v. Lockformer Co., et al.	00-CV-7164	Environmental Litigation	US District Court, Northern District of Illinois (Chicago, IL)	Settled (May 2002)
Mejdrech, et al. v. Lockformer Co., et al.	01-CV-6107	Environmental Litigation	US District Court, Northern District of Illinois (Chicago, IL)	Settled Pending Plan of Reorganization
Met-Coil Systems Corporation v. Arrow Gear Company, et al.	01-CV-6107	Environmental Litigation (3 <sup>rd</sup> party contribution action)	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Met-Coil Systems Corporation, et al. v. New Hampshire Insurance Co.	01 MR 116	Insurance Litigation	Circuit Court of DuPage County, Illinois	Pending

Caption of Suit	Case Number	Nature of Proceeding	Court and Location	Status or Disposition
Met-Coil Systems Corporation, The Lockformer Company, a Division of Met-Coil Systems Corporation and Mestek, Inc. (Plaintiffs-Respondents) v. National Union Fire Ins. Co. of Pittsburgh, PA, et al. (Defendants), and Travelers Casualty and Surety Company (f/k/a The Aetna Casualty and Surety Company) and the Travelers Indemnity Company of Illinois (Defendants-Appellants)	01 MR 116	Insurance Litigation Appeal	Circuit Court for the 18th Judicial District, DuPage County, Illinois, Chancery Division	Appeal Pending
Met-Coil v. American National Bank	00 L 011385	Recovery Action	Circuit Court of Cook County, Illinois County Department, Law Division	Pending
Meyer, et al. v. Lockformer Co., et al.	02-CV-2672	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Moslavec v. Roper Whitney, Inc.		Product Liability Insurance		Voluntarily Dismissed 2002
New England HVAC Services, Corp. v. The Lockformer Company., et al.	HUD-L-2592-03	Warranty Claim	Superior Court of New Jersey, Law Division: Hudson County	Pending
Patino et al. v. Lockformer Company, Inc.	01293/98	Product Liability	Supreme Court of the State of New York, County of Kings	On Appeal
Pelzer, et al. v. Lockformer Co., et al.	01-CV-6485	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
People of the State of Illinois, et al. v. The Lockformer Company, et al.	01 CH 0062	Environmental Litigation	Circuit Court for the 18th Judicial District, DuPage County, Illinois, Chancery Division	Pending
Powell v. Iowa Precision, et al.	5008366	Employment Litigation	Iowa Workers' Compensation Commissioner	Pending

Caption of Suit	Case Number	Nature of Proceeding	Court and Location	Status or Disposition
Puntero v. Tyco Electronics, Inc. et al.	CIV 426369	Product Liability	San Mateo County Superior Court (Redwood City, CA)	Pending
Schreiber v. Lockformer Co., et al.	02-CV-6097	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Settled Pending Plan of Reorganization
The Lockformer Co. v. Arrow Gear Company, et al.	00-CV-7164	Environmental Litigation (3 <sup>rd</sup> party contribution action)	US District Court, Northern District of Illinois (Chicago, IL)	Pending
The Lockformer Company v. PPG Industries, Inc., et al. (counterclaim also pending)	03-1459, 03-1497, 03-1542 and 03-1543	Intellectual Property Litigation	U.S. Court of Appeals for the Federal Circuit	On Appeal
Travelers Casualty & Surety Co., et al. v. Met-Coil Systems Corporation, et al.	LAC V045117	Insurance Litigation	Iowa District Court in and for Linn County	Pending
Wroble v. Lockformer Co., et al.	02-CV-4992	Environmental Litigation/Personal Injury	US District Court, Northern District of Illinois (Chicago, IL)	Pending
Williams v. Lockformer Co.	01 WC 046670	Employment Litigation	State of Illinois Industrial Commission	Pending

Schedule 5.14  
Environmental Matters

Prior to 1985, trichloroethylene ("TCE"), a degreasing agent used in the operations at Lockformer in Lisle, Illinois, was apparently spilled onto the soil at the Lockformer facility as employees of AlliedSignal transferred TCE from the AlliedSignal tanker truck to the AlliedSignal rooftop storage tank at the Lockformer facility. In or about 1991, while conducting excavations to repair a sewer line, Lockformer discovered that a concentration of TCE existed in the soil near the fill pipe for the rooftop storage tank. Lockformer promptly retained an environmental consulting firm to investigate the TCE concentration and to recommend a remediation process. On December 5, 1994, pursuant to a voluntary environmental investigation and remediation program of the Illinois Environmental Protection Agency (the "IEPA"), Lockformer submitted a Review and Evaluation Services Agreement to the IEPA. On August 26, 1998, Lockformer submitted a Site Remediation Program Form to the IEPA. On January 19, 2001, the Illinois Attorney General and the DuPage County State's Attorney filed a Verified Complaint for Injunction and Civil Penalties against Lockformer and Honeywell in the Circuit Court for the Eighteenth Judicial District, DuPage County, Illinois (the "State Case"), seeking injunctive relief and civil penalties. The Village of Lisle intervened in the State Case pursuant to a court order dated August 31, 2001. In addition, the United States Environmental Protection Agency issued an Order on Consent with regard to the trichloroethylene contamination onsite at the Lockformer facility. Met-Coil is engaged in settlement negotiations with the United States Environmental Protection Agency, the State of Illinois, the DuPage County State's Attorney and the Village of Lisle, and is committed to completing the remediation of the Lockformer property in accordance with a work plan to which Met-Coil and the governmental agencies agree.

In addition, Met-Coil received a notice of violation from the IEPA regarding an air permit violation in 2001, and a Notice of Incompleteness from the IEPA regarding a joint construction and operating permit application dated December 15, 1998.



Schedule 5.16  
Intellectual Property

**Met-Coil  
Trademarks**

Country	Trademark	Registration Number
USA	MET-COIL SYSTEMS CORPORATION and Design	2,168,797

**Lockformer  
Trademarks**

Country	Trademark	Registration Number
Australia	LOCKFORMER	A482,351
Benelux	LOCKFORMER	338,710
Brazil	LOCKFORMER (7)	814,407,820
Brazil	LOCKFORMER (9)	814,407,838
China	LOCKFORMER	338,383
Denmark	LOCKFORMER	1240/1981
France	LOCKFORMER	1,694,183
Great Britain	LOCKFORMER	B861,573
Hong Kong	LOCKFORMER	B995/1983
Italy	LOCKFORMER	442,487
Lebanon	LOCKFORMER	41,320
Malaysia	LOCKFORMER	84,827
New Zealand	LOCKFORMER	177,857
Norway	LOCKFORMER	105,793
Philippines	LOCKFORMER	47,179
Singapore	LOCKFORMER	81,405
South Korea	LOCKFORMER	177,437
Spain	LOCKFORMER	985,670
Sweden	LOCKFORMER	171,606
Taiwan	LOCKFORMER	418,749

Thailand	LOCKFORMER	76,391
USA	TRANSVERSE DUCT CONNECTOR SYSTEM (stylized)	1,281,297
USA	ROTO NOTCHER	1,153,654
USA	CLIPROL	642,890
USA	EXCALIBUR	1,662,915
USA	CLEATFORMER	713,469
USA	VULCAN	1,702,855

Country	Trademark	Application Number
USA	FAST SEAM	78/174,648

**Lockformer  
Patents**

Country	Patent	Registration Number
Denmark	DUCT CONNECTING SYSTEM	173,358
France	DUCT CONNECTING SYSTEM	8,412,462
USA	DUCT CONNECTING SYSTEM	4,466,641
USA	DUCT CONNECTING SYSTEM HAVING DOUBLE WALLED TRANSVERSE FLANGES	6,412,519
USA	INSULATED GLASS WINDOW SPACER AND METHOD	6,360,420
USA	DUCT JOINING SYSTEM	5,069,484
USA	SHEET METAL BENDING APPARATUS	6,311,534

Country	Patent	Application Number
Australia	SHEET METAL BENDING APPARATUS	42706/00
USA	DUCT REINFORCEMENT ROD	SN 60/412,722
USA	SEAM CLOSING APPARATUS	SN 60/412,723

USA	DUCT CONNECTING SYSTEM HAVING INTEGRAL TRANSVERSE FLANGES	SN 09/977,003
USA	POSITIONER AND CUTTING APPARATUS	SN 10/340,151

Provisional Applications:

USA	DUCT FASTSEAM	SN 60/412/740
-----	---------------	---------------

**Iowa Precision Industries  
Trademarks**

Country	Trademark	Registration Number
Australia	SLEAR	A482,349
Australia	FABRIDUCT	B482,350
Brazil	SLEAR	814,202,489
Brazil	FABRIDUCT	814,202,470
China	SLEAR	345,438
China	FABRIDUCT	345,439
Hong Kong	SLEAR	1670/89
Malaysia	SLEAR	88/01088
New Zealand	FABRIDUCT	B178,026
Singapore	SLEAR	1045/88
Singapore	FABRIDUCT	1044/88
Taiwan	SLEAR	432,034
Taiwan	FABRIDUCT	432,035
USA	SLEAR	890,421
USA	SLEAR3 (Stylized)	1,197,122

Country	Trademark	Application Number
USA	FABRIDUCT	SN 76/433,348

**Iowa Precision Industries  
Patents**

Country	Patent	Registration Number
Canada	DUCT CONNECTING SYSTEM	1,274,560
USA	INSULATED GLASS WINDOW SPACER AND METHOD FOR MAKING WINDOW SPACER	6,038,825
USA	INSULATED GLASS WINDOW SPACER AND METHOD FOR MAKING WINDOW SPACER	6,279,292

Country	Patent	Application Number
Canada	DUCT CONNECTING SYSTEM HAVING INTEGRAL TRANSVERSE FLANGES	Awaiting Filing Receipt
European Patent Office	SHEET METAL VENDING APPARATUS	SN 00114252.0
USA	APPARATUS AND METHOD FOR APPLYING GLUE	SN 10/040,744

Provisional Applications:

USA	SEGMENTED PYRAMID ROLLER	SN 60/418,414
USA	FREE STANDING ELBOW ROTATOR	Awaiting Filing Receipt
USA	PRE-BEADING METHOD AND APPARATUS	Awaiting Filing Receipt

Schedule 5.18  
Deposit Accounts and Securities Accounts

LaSalle Bank  
Lisle, Illinois  
Account #52009875590

US Bank  
Cedar Rapids, Iowa  
Account #0-001-2337-8002

Fleet Bank  
Account #9429345782

Schedule 5.20  
Permitted Indebtedness